Lower cash deposit ratio of Bihar

† 2722. SHRI VIJAY SINGH YADAV:

SHRI LALU PRASAD:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Financial Institutions like Banks and Life Insurance Corporation have not ensured that the investment in the State should be as per its deposit money;

(b) whether it is also a fact that credit deposit ratio of all Banks in Bihar have come down to the lowest level of 21 percent;

(c) whether it is also a fact that funds of Bihar are being invested out of the State; and

(d) if so, whether Government will try to bring balance in credit deposit ratio in backward States like Bihar?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Reserve Bank of India (RBI) has reported that they advised Public Sector Banks in 1980 to achieve a credit deposit ratio of 60% in respect of their rural and semi urban branches separateiy on an all-India basis in order to ensure that wide disparity in the ratios between different States/Regions is avoided in order to minimize regional imbalances in credit deployment. RBI's above instructions were reiterated in 1955. The CD ratio of commercial banks in the State of Bihar as on 31st March 2000, 2001 and 2002 were 22.52% (including Jharkhand State), 21.32 and 21.31% respectively. The CD ratio increased to 23.17% as on 30th June 2002.

Premium income and investments of the life Insurance Corporation of India (LIC) during the last three years in Bihar were as under:

(Rs. in crore)

During 1999-2000		During 2000-2001		During 2001-2002	
Premium Income	Investment	Premium Income	Investment	Premium Income	Investment
1472.90	128.82	1319.01	193.05	1588.16	554.77

† Original notice of the question was received in Hindi.

A special Task Force set up by RBI was entrusted with studying the industry related problems in the State of Bihar and a sub-committee was formed to study operational problems of stepping up credit flow and to suggest measures to increase credit deposit ratio. The progress in implementation of the action point that emerged from the study shows that the banks have been making all efforts to improve the CD ratio in the State of Bihar. The additional liquidity with the banks has been made possible with the progressive reduction in the CRR and SLR. It may also be mentioned that the credit flow in the State also depends upon the factors such as availability of adequate infrastructure facilities, development of core sector projects, large and medium industries entrepreneurial initiatives, credit absorption capacity of the State, conducive atmosphere for investment and satisfactory recovery position of bank dues. The initiative in this regard also lies with the State Government to create a climate conducive to the enhancement of credit flow in the State.

Panel for wooing foreign investors

2723. SHRI K. NATWAR SINGH:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Ministry of Finance and Company Affairs has set up new panel to woo foreign investors;

(b) if so, what are the main objects of this new panel;

(c) whether the main complaint from the foreign investors is the delay in finalization at the bureaucratic level; and

(d) if so, to what extent this new panel will help the foreign investors to invest more in India without any obstacles?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.